



ALCOHOL AND DRUG POLICY

PURPOSE AND SCOPE

This Policy outlines the expectations regarding being Fit for Work and Employee use and possession of Alcohol and Drugs. It is intended to minimize the risks to the Company's operations and to support the Company's commitment to a safe and healthy workplace.

This Policy applies to all TransCanada Employees. Requirements for contractors are set out in the TransCanada Contractor Alcohol and Drug Policy.

Where there is a conflict between this Policy and any applicable collective bargaining agreement between TransCanada's Employees and the Company, the collective bargaining agreement will apply.

In addition to the provisions of this Policy, U.S. Employees must also comply with additional requirements applicable to their position established by the U.S. Department of Transportation (DOT) regulations, including those covering commercial motor vehicle drivers (FMCSA), aviation (FAA), and pipeline operators (PHMSA). These provisions are located in the *Additional Requirements for U.S.-Based Employees* section of this Policy and in the associated Employee Handbook and Leader Handbook.

This Policy is supplemented by the following standards and guidelines:

- i) Medication Use Standard;
- ii) Fit for Work Assessment and Alcohol and Drug Testing Standard; and
- iii) Prevention, Assistance, Rehabilitation, and Aftercare Guideline (collectively, the "Standards").

DEFINITIONS

In this Policy, capitalized terms will have the meanings set out in Schedule "A" unless otherwise defined.



POLICY

To minimize the risk of unsafe and poor performance due to the use or after-effects of Alcohol and Drugs, Employees are expected to comply with this Policy while:

- i) engaged in any Company Business regardless of location; or
- ii) on any Company Premises or Worksites.

ALCOHOL AND DRUGS ON COMPANY PREMISES OR WORKSITES

Subject to the limited exceptions in this Policy, the use and possession of Alcohol and Drugs are prohibited in the workplace. In particular, Employees must not:

- i) use, consume, possess or store any Alcohol or Drugs or related Drug Paraphernalia on Company Premises or Worksites, with the exception of medications if used in compliance with the Medication Use Standard;
- ii) distribute, offer, sell, cultivate or manufacture any Alcohol or Drugs on Company Premises or Worksites, including related Drug Paraphernalia; or
- iii) use a TransCanada marked vehicle for the purchase, acquisition, or transportation of Alcohol or Drugs.

FIT FOR WORK REQUIREMENT

All Employees are expected to report Fit for Work and remain Fit for Work while engaged in any Company Business and when scheduled on-call and must not:

- i) use or consume any Alcohol and Drugs, whether legal or illegal, while engaged in Company Business;
- ii) attend at any Company Premises or Worksites for any reason while impaired by Alcohol and Drugs or other mood altering substances;
- iii) consume any amount of Alcohol and Drugs during meal breaks or other breaks from work; or
- iv) have a positive result on an Alcohol and Drug test as determined through an applicable testing program and established Alcohol and Drug Testing Cut-Off Levels and any other provisions outlined in this Policy and the Fit for Work Assessment and Alcohol and Drug Testing Standard.



The use of medications as per the Medication Use Standard does not constitute a breach of this Policy.

Scheduled On-call

If a scheduled on-call Employee is directed by the Company to engage in Company Business or to attend at Company Premises or a Worksite but is not Fit for Work, the Employee is required to decline the direction and explain that they are not Fit for Work.

Unscheduled Call-In

If an Employee who is not on-call is requested by the Company to engage in unscheduled Company Business or to attend at Company Premises or a Worksite but is not Fit for Work, the Employee is required to decline the request.

Not Fit for Work

When there is reason to suspect an Employee may not be Fit for Work, the Employee may be interviewed by a Company leader and provided an opportunity to explain any behavior, appearance, or other observations leading to the suspicion that the Employee is not Fit for Work.

If the Company determines that the Employee is not Fit for Work, the Employee may be directed to submit to an Alcohol and Drug test in accordance with the Fit for Work Assessment and Alcohol and Drug Testing Standard.

ADDITIONAL REQUIREMENTS FOR UNITED STATES EMPLOYEES

In addition to all other provisions of this Policy, any Employee engaged in Company Business in the course of their job duties for and on behalf of the Company in the United States must also comply with the following requirements:

Commercial Motor Vehicle Drivers

In addition to the requirements for Fit for Work and Safety-Sensitive Duties and Positions of this Policy, Employees who operate a commercial motor vehicle in the United States are prohibited by regulation from:

- i) consuming any amount of Alcohol within four (4) hours prior to operating a commercial motor vehicle; or
- ii) operating a commercial motor vehicle within four (4) hours after consuming any amount of Alcohol.



Covered Pipeline Operators

In addition to the requirements for Fit for Work and Safety-Sensitive Duties and Positions of this Policy, Employees who are covered pipeline operators in the United States are prohibited by regulation from:

- i) consuming any amount of Alcohol within four (4) hours prior to performing a covered function;
- ii) consuming any amount of Alcohol after being notified of any call-out or emergency and until such call-out or emergency has been resolved; or
- iii) performing a covered function or respond to a call-out or emergency within four (4) hours after consuming any amount of Alcohol.

Covered Aviation Employees

In addition to the requirements for Fit for Work and Safety-Sensitive Duties and Positions of this Policy, covered aviation Employees in the United States are prohibited by regulation from:

- i) consuming any amount of alcohol within eight (8) hours prior to performing any Safety-Sensitive Duties; or
- ii) performing any covered aviation work within eight (8) hours after consuming any amount of Alcohol.

EXCEPTIONS TO ALCOHOL PROVISIONS

In limited circumstances, and on a case by case basis, exceptions to certain provisions of this Policy may be granted (in advance and in writing) by the Director of Health and Safety in consultation with the Director of Corporate Compliance.

Employees may possess Alcohol bottles or containers on a limited basis (for example Alcohol bottles or containers received as gifts or as part of certain Company events) provided they are received the same day, remain factory sealed at all times and stored for no longer than twelve (12) hours unless an exception has been granted in writing by the Director of Health and Safety in consultation with the Director of Corporate Compliance. No Alcohol bottles or containers shall be kept or stored at operational installations or operational facilities or in equipment owned, leased, or otherwise directly or indirectly controlled by the Company, including marked Company vehicles.



COMPANY FUNCTIONS

The Company recognizes that, on occasion, Company functions, business-related events, and occasions may occur where Alcohol is permitted to be served to Employees. Employees who consume Alcohol and Drugs at any such events must act responsibly and refrain from becoming intoxicated or impaired.

Employees who elect to consume Alcohol at any Company function cannot return to work the same day.

Use of any Drugs, except for medications as per the Medication Use Standard, is prohibited at all Company functions.

MEDICATION USE

Employees often use medications for various health and wellness reasons. Many types of medications can be considered “Drugs” as defined within this Policy as they can inhibit an Employee’s ability to perform their job safely and effectively. With respect to medications, any Employee engaged in Company Business in the course of their job duties for and on behalf of the Company must at all times adhere to and comply with the provisions outlined in the Fit for Work Assessment and Alcohol and Drug Testing Standard and the Medication Use Standard.

IMPAIRED DRIVING AND LOSS OR SUSPENSION OF DRIVER’S LICENSE

Employees who operate a Company vehicle or any motorized vehicle, including vehicle rentals, in the course of their job duties for and on behalf of TransCanada must immediately inform their leader if they:

- i) have been charged with an impaired driving offense at any time or location, whether in a Company vehicle or any motorized vehicle, including vehicle rentals or a personal vehicle; or
- ii) have had their driver’s license revoked or received an administrative license suspension at any time or location, whether in a Company vehicle or any motorized vehicle, including vehicle rentals or a personal vehicle.

An arrest or charge will not necessarily lead to disciplinary action, but will be considered by the Company to assess whether the Employee may be permitted to



operate motorized vehicles while such charges are pending, subject to applicable law(s).

TESTING AND INVESTIGATIONS

Employees and job applicants may be subject to Alcohol and Drug Testing as described in the Fit for Work Assessment and Alcohol and Drug Testing Standard. Employees must participate in testing and cooperate with investigations in accordance with this Policy and the Fit for Work Assessment and Alcohol and Drug Testing Standard.

In addition to any Alcohol and Drug Testing completed for the Company, Employees may also be required to submit to Alcohol and Drugs Testing by TransCanada customers to gain access to their safety-sensitive premises or worksites. Employees will be notified when such a requirement applies to them.

The Company reserves the right to investigate any situation when there are reasonable grounds to suspect that an Employee has violated this Policy or the Standards. Company leaders are responsible for identifying and responding to situations where an investigation is justified based on a combination of relevant indicators which could include, but are not limited to, Employee appearance, behaviour, odour, or the actual or suspected presence of Drug Paraphernalia or Alcohol and Drugs.

Leaders are responsible for advising both Health Services and their senior leaders, in conjunction, of any actual or suspected violations of this Policy. Health Services will determine whether to involve the Corporate Security Department and whether an internal investigation is warranted, including whether to involve law enforcement. The Company may notify law enforcement of any Employee actual or suspected involvement with Alcohol or Drugs in violation of any applicable laws and cooperate in any resulting investigation.

CONSEQUENCES

Any violation of the provisions of this Policy will result in disciplinary action up to and including potential termination of employment.

In all situations, an investigation will be conducted and documented to assess whether a Policy violation has occurred. Employees who are suspected of violating



this Policy may be removed from their duties or reassigned pending the results of such investigation.

A positive result on i) a Drug test seeking the presence of illicit Drugs or their metabolites; ii) a breath Alcohol test result of .04 Blood Alcohol Content (BAC) or higher; or iii) a refusal to test are deemed violations of this Policy and will result in the Employee being removed from their duties until an investigation is complete, or as required by applicable law.

An Employee with a BAC test result of .02 to .039 BAC in a reasonable cause, post-incident, or random testing situation may be removed from their duties and returned only if the Company determines it is safe for them to do so (at a minimum not before their next work day or shift).

All Employees will be accountable for their actions, including Employees who may have an Alcohol and Drug problem or dependency. If an Employee is not terminated from the Company following a Policy violation, the Employee may be offered continued employment following a violation of this Policy which is contingent upon completing enumerated return-to-work requirements. These requirements will include an obligation for the Employee to meet promptly with a Substance Abuse Professional (SAP) for an assessment and the identification and determination of the SAP of any Alcohol or Drug problem or dependency. In the event such assessment does identify an Alcohol and Drug problem or dependency, the Employee must complete a recommended treatment program as a requirement of continued employment with TransCanada. In addition, the Employee will be required to enter into a written agreement with the Company governing their continued employment which may include, but is not limited to, the following conditions:

- i) removal from their position until return to work requirements are met;
- ii) adherence to any recommended treatment and aftercare program;
- iii) maintenance of sobriety and satisfactory performance on return to work;
- iv) successful completion of a return to work Alcohol and Drug Test;
- v) ongoing unannounced testing for a period determined on a case by case basis; and
- vi) no further violations of the Policy.



Employees subject to DOT regulations, will be provided with contact information for providers qualified to perform a SAP assessment regardless of whether they are offered an opportunity to remain employed with the Company.

The Company may investigate any situation that it becomes aware of where off-the-job actions involving Alcohol and Drugs may have implications for the workplace, and will take appropriate action which may result in disciplinary action up to and including potential termination of employment.

See the [Prevention, Assistance, Rehabilitation, and Aftercare Guideline](#) for more information.

SELF-DISCLOSURE

Employees who believe that they may have an Alcohol and Drug problem or an emerging Alcohol and Drug problem are required to report such problem to the Company. An Employee who requests such help will not be subject to discipline pursuant to this Policy unless the Employee, before the Employee requests such help:

- i) has been involved in a workplace incident, including but not limited to an incident involving a worker injury, a fatality, damage to property, or a near miss incident; or
- ii) has been otherwise found to have violated this Policy.

If an Employee reports an Alcohol and Drug problem or an emerging Alcohol and Drug problem to the Company, the Company will provide the Employee with accommodations required by law. For more information, see the Prevention, Assistance, Rehabilitation, and Aftercare Guideline.

CONFIDENTIALITY

Medical records and communications retained by the Company, the Program Administrator, or TransCanada's third party health administrator regarding Alcohol and Drug issues will be maintained in accordance with the Company's Protection of Personal Information Policy.

COMPLIANCE

Employees must comply with all aspects of this Policy and support others in doing so. Employees are responsible for promptly reporting suspected or actual violation of this



Policy, applicable law, or any other concern, through available channels so that it can be appropriately investigated, addressed and handled. Employees who fail to comply, or knowingly permit Employees under their supervision to not comply, may be subject to appropriate corrective disciplinary action, up to and including termination, in accordance with the Company's Policies and processes. Please refer to the TransCanada Corporate Policies website for more information.

NON-RETALIATION

We support and encourage Employees to report suspected incidents of non-compliance with applicable laws, regulations, and authorizations, as well as hazards, potential hazards, incidents involving health and safety or the environment, and near hits. We take every report seriously and, where sufficient information has been provided, investigate each report to identify facts, and effect improvements to our practices and procedures when warranted. All Employees making reports in good faith will be protected. Good Faith Reporting is intended to remove protection for Employees making intentionally false or malicious reports, or who seek to exempt their own negligence or willful misconduct by the act of making a report. We ensure immunity from disciplinary action or retaliation for Employees for the Good Faith Reporting of such concerns. Reports can be made to management, a compliance coordinator, or anonymously to the ethics helpline.

REFERENCES AND LINKS

- Schedule "A" – Definitions
- [Policy Questions and Comments](#)
- Alcohol and Drug Policy Addendum (DOT)
- Code of Business Ethics Policy
- Alcohol and Drug Employee Handbook
- Alcohol and Drug Leader Handbook
- Fit for Work Assessment and Alcohol and Drug Testing Standard
- Background Screening Policy
- Business Travel Policy
- Canadian Safety-Sensitive Roles
- Employee Family Assistance Program (EFAP)
- Reasonable Workplace Accommodation Policy
- Medication Use Standard
- Motor Vehicle Operation Standard
- Prevention, Assistance, Rehabilitation, and Aftercare Guideline
- Protection of Personal Information Policy



- United States Safety-Sensitive Roles
- Vehicle Fleet Policy



SCHEDULE "A" – DEFINITIONS

Alcohol means the intoxicating agent in beer, wine, and distilled spirits, and other low-molecular weight alcohols.

Alcohol and Drug Testing means an examination or technical analysis of various biological specimens of a human such as blood, urine, exhaled air, sweat, saliva, and hair to determine the presence of Alcohol and Drugs or their metabolites.

Company Business means all business activities undertaken by Employees in the course of the Company's operations or on the Company's behalf, whether conducted on or off Company Premises or Worksites, including but not limited to:

- i) performance of the Employee's regular or assigned job duties;
- ii) any decision-making, approvals or authorizations;
- iii) negotiations or planning;
- iv) preparation or review of any company materials, documents or reports;
- v) any representation of TransCanada and its subsidiaries or affiliates;
- vi) meetings;
- vii) communications;
- viii) operation of Company Vehicles or other vehicles for the Company; and
- ix) operation of any machinery or equipment for the Company.

Company Premises means, but is not necessarily limited to, all land, property, structures, installations, and equipment owned, leased, or otherwise directly or indirectly controlled by the Company, including Company vehicles and vehicle rentals.

Drugs means substances, including but not limited to illicit drugs, medications, or other mood altering substances, the use of which has the potential to change or adversely affect the way a person thinks, feels, or acts. For purposes of this Policy, drugs of concern are those that inhibit an Employee's ability to perform their job safely including, but not limited to:

- nonprescribed substances found in medications and intoxicants present in other products not intended for human consumption such as inhalants;
- illicit drugs: any drug or substance whose use, sale, possession, purchase or transfer is restricted or prohibited by law (e.g., street drugs such as cocaine and other non-prescribed controlled substances);



- medications: a drug obtained legally, either over-the-counter or through a doctor's prescription; and
- other mood altering substances: any other product that, when used, results in cognitive or physical limitations which negatively impact performance or Fitness for Work on the job (e.g., any product containing cannabis including inhaled products or consumables, synthetic marijuana, "bath salts", solvents, inhalants, and similar products).

Drug Paraphernalia means any personal property which is associated with the use of any Drug, substance, chemical or agent. This would also include any product or device that may be used to attempt to tamper with a testing sample.

Employee means full-time and part-time employees of TransCanada, whether permanent or temporary, including student employees.

Fit for Work means being able to safely and acceptably perform assigned duties without any limitations due to the use or after-effects of Alcohol and Drug(s).

Good Faith Reporting means an open, honest, fair and reasonable report without malice or ulterior motive.

Program Administrator means an Employee in Health Services responsible for Alcohol and Drug program management.

Refusal to Test means:

- i) failure of an Employee to report directly for a test or refusal to submit to a test when directed to do so;
- ii) failure to provide a valid specimen absent a documented medical condition preventing sample collection;
- iii) a confirmed attempt to adulterate, substitute, dilute or otherwise tamper with a test sample;
- iv) attempting to avoid a test by failing to report involvement in an incident which may require testing or by avoiding management following involvement in an incident;
- v) failure to advise of release from hospital if testing is delayed for medical reasons;
- vi) failing or refusing to attend and cooperate in a medical evaluation where required under the Policy; or



vii) any attempt to disrupt the testing process as described in the Policy.

Safety-Sensitive Duty (Duties) means any duty where impaired performance, including from Alcohol and Drug use, could result in a significant incident or failure to adequately respond to a significant incident, or affect the health, safety, or security of the Employee, other persons, property, or the environment. Employees are considered to be performing Safety-Sensitive Duties whenever they are assigned to Safety-Sensitive temporary relief duties, the supervision or management of Safety-Sensitive duties, or being on-call for such duties.

Safety-Sensitive Position means any position in which Employees are responsible to perform Safety-Sensitive Duties.

Substance Abuse Professional means an individual with knowledge of and clinical or other sufficient experience in the diagnosis and treatment of Alcohol and Drug related disorders who may assess if an Employee has an Alcohol and Drug dependency, make recommendations regarding education and treatment, and recommend a return-to-work monitoring program including unannounced testing.

TransCanada or the **Company** means TransCanada Corporation and its wholly-owned subsidiaries and operated entities.

Worksite means any TransCanada worksite or TransCanada's customers' worksites or prime contractors' worksites, provided Employees are engaged in Company Business on such worksite.

Worksite Rules means any applicable policies and procedures governing a Worksite, including those of TransCanada customers and prime contractors.